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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/074,386	02/12/2002	Barry S. McAuliffe	BLU.0002US	5570
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TROP PRUNER & HU, PC 1616 S. VOSS ROAD, SUITE 750 HOUSTON, TX 77057-2631			EXAMINER RATHINASAMY, PALANI P	
			ART UNIT 3622	PAPER NUMBER
			MAIL DATE 12/10/2007	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/074,386	Applicant(s) MCAULIFFE ET AL.	
	Examiner Palani P. Rathinasamy	Art Unit 3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 27 September 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-42 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☐ Claim(s) _____ is/are rejected.
- 7) ☒ Claim(s) 10,11,13,14,24,25,27 and 28 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Status of the Claims

1. This office action is in response to the amendment received on 9/27/2007.
2. Per amendment, claims 1, 4-9, 15-23, 29, and 36 have been amended. Claims 1-42 remain pending.

Claim Objections

3. Claims 10-11, 13-14, 24-25, and 27-28, are objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form. In particular, independent claims 1 and 15 recite the limitation "identifying by the computer *a computer* incentive program . . . " (emphasis added). Thereafter, the dependent claims fail to further limit the subject matter because they teach of "employing one of a *plurality* of computer incentive programs . . . " (emphasis added).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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4. Claims 1-9, 10-29, 32, 34-37, 39, and 41-42, are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan et al. (US 2001/0018665 A1) in view of ["Distribution of Seasonal Inventory of the Hawaiian Pineapple Company" (Alan R. Eagle, Institute of Management Sciences, October 19, 1956)] OR [Abhyanker (US 6,915,274 B2)].

5. Regarding claim 1, 15, 29, and 36, Sullivan et al. teaches of a system and method for administering promotions between manufacturers and retailers. (Sullivan et al., Title, Abstract). Sullivan et al. teaches of "recording, capturing, tracking, reporting, monitoring, verifying and settling product promotions." (Sullivan et al., Summary of the Invention, [0019]). That system then determines if the retailer sold a manufacturers product, and if so, executes payment (ie. an incentive) from the retailer to the manufacturer. (Sullivan et al., Summary of the Invention, [0021]). Sullivan et al. teaches of a system where the assumption is that the manufacturer is different from the seller (i.e. selling on consignment). (Sullivan et al., Summary of the Invention).

Sullivan et al. does not explicitly teach of determining if the manufacturer is the seller or of only paying the incentive if the manufacturer is not the seller. However, as shown in the article by Eagle, it is old and well known since 1956 for manufacturers to sell products directly to the consumer and on consignment. (Eagle, page 384). Unlike consignment, direct sales to customers allow a manufacturer to skip the middle man (i.e. warehouse) and reap the profits directly from the sale.

As another example, Abhyanker (US 6,915,274 B2) teaches that it is old and well known for manufacturers to sell directly to customers. (Abhyanker, Col 3, Lines 30-33).

Abhyanker teaches that in this "direct relationship" between the manufacturer and customer, the manufacturer is able to "schedule production, lower manufacturing costs, and capture more business by selling directly to strategic-account and end-user customers without the added cost of a dealer/distribution network." (Abhyanker, Col 3, Lines 36-39). Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have determined if it was the manufacturer selling the product and only paid the incentive if the manufacturer was not the seller. One would have been motivated to do so because if the manufacturer is selling directly to the customer, then there is no incentive to be had since the manufacturer reaps all the profits.

6. Regarding claim 10, Sullivan et al. teaches of a database on a computer determines the incentive based on specific products. (Sullivan et al., Detailed Description, [0072]). Sullivan et al. teaches that the computer is used to determine the amount due to the manufacturer. (Sullivan et al., Detailed Description, [0097]).

7. Regarding claim 11, Sullivan et al. teaches that the database server stores multiple promotions for products. (Sullivan et al., Detailed Description, [0072], [0079]).

8. Regarding claim 24 and 25, Sullivan et al. that the system determines which incentive to apply to the product. (Sullivan et al., Detailed Description, [0087]).

9. Regarding claim 12 and 26, Sullivan et al. teaches that the amount paid to the manufacturer is based on the sale of a product. (Sullivan et al., Summary of the Invention, [0021]).

10. Regarding claims 13-14 and 27-28, Sullivan et al. teaches of a similar method of adjusting the promotion. (Sullivan et al., Detailed Description, [0086], [0093]).

11. Regarding claim 2, 16, 30, and 37, applicant teaches that the incentive is a percentage of a purchase price of the purchased product. Regarding claim 3, 17, 32, and 39, applicant teaches that the incentive is a percentage of profit from the sale. Regarding claims 34 and 41, applicant teaches that the incentive is a "fixed fee." Regarding claims 35 and 42, applicant teaches that the incentive is a "discount." Sullivan et al. teaches of a method whereby a retailer sells a manufacturers product on consignment. (Sullivan et al., Summary of the Invention, [0021]). Sullivan et al. teaches that the retailer pays the manufacturer after the product is sold. (*Id.*, see also Dictionary.com for consignment).

Sullivan et al. does not explicitly teach how the manufacturer is paid, however, OFFICIAL NOTICE is taken that percentage or profit, revenue, discounts, and fixed fees are common methods for paying manufacturers and retailers. For example, in the franchising industry (such as Subway, McDonalds, etc.), the franchisee pays the franchisor a percentage of the total revenues or a percentage of the profit that they make. In the newspaper industry, a paperboy pays the newspaper company a fixed fee for each individual newspaper that is sold. In the auto-industry, a dealership pays the car manufacturer a flat predetermined "sticker-fee". In the soft-drink beverage industry, discounts are provided based on volume purchased. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to choose from any of these well-known methods of compensation. One would have been motivated to use

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these methods based on the product they were selling and the relationship with the manufacturer.

12. Regarding claims 4-9 and 18-23, which introduce that the incentive is computed based on product attributes (Claims 4 and 18) such as “product category” (Claims 5 and 19), “product name” (Claims 6 and 20), “product family” (Claims 7 and 21), “equivalent product” (Claims 8 and 22), and “product date code” (Claims 9 and 23). Sullivan et al. does not teach explicitly teach such data content. Sullivan teaches of individual promotions based on products (including product name) (Abstract), product family (Sullivan et al., Detailed Description, [0078]) and product UPC (*Id.*). (Examiner notes that product UPC entails a number of different product categories). However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the method (or structurally programmed) steps recited. The steps would be performed the same regardless of data content. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of Patentability, see *In re Gulack*, 703 F.2d 1381, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to one of ordinary skill at the time of the invention to select from a variety of different product attributes. Such data content does not functionally relate to the steps and the subjective interpretation of the data content does not patentably distinguish the claimed invention.

13. Claims 31, 33, 38, and 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan et al. (US 2001/0018665 A1) in view of "Distribution of Seasonal Inventory of the Hawaiian Pineapple Company" (Alan R. Eagle, Institute of Management Sciences, October 19, 1956) in further view of Woolston (US 5,845,265).

14. Regarding claims 31 and 38, applicant teaches that the percentage of revenue is calculated on the purchase price set by auction. Sullivan et al. teaches of selling products based on consignment where the retailer pays the manufacturer. (Sullivan et al., Summary of Invention, [0021]).

Sullivan et al. does not explicitly teach of selling the products in an auction. Woolston teaches of selling products in an auction by consignment whereby the payment is made after the auction. Woolston gives an example whereby the amount paid is the percentage of sales price (ie. 6% in the baseball card example). (Woolston, Col 4, Lines 10-37). Therefore, it would have been obvious to one of ordinary skill, at the time of the invention, to sell the products on consignment in an auction and pay a percentage of the sales price. One would have been motivated to so because an auction, like a retailer outlet, is a common method for selling products.

15. Regarding claims 33 and 40, applicant further teaches that the percentage of profit is calculated on the purchase price set by auction. Woolston does not explicitly teach that the amount paid is a percentage of the profit. OFFICIAL NOTICE is taken that percentage of profit is a common method for paying manufacturers and retailers. See ¶ 11 above for rejection.

Response to Arguments

16. Applicant's arguments with respect to claims 1, 15, 29, and 36 have been considered but are moot in view of the new ground(s) of rejection.

17. Regarding independent claims 1, 15, 29, and 36, applicants amendment added the steps of "determining whether the seller is the manufacturer of the purchased product" and distributing the incentive "only" if the manufacturer was not the seller of the product. Examiner notes that these steps do not appear to be functionally related to the claimed invention.

First, in the claim itself, the applicant does provide any positive steps in the case in which the manufacturer is the seller. Therefore, the claim itself seems to be focused solely on the situation in which the manufacturer is not the seller. Second, further evidence is found in the applicant's specification which states that in the case where the manufacturer is the seller, "the process ends [], as no incentive is due the seller as the seller is the manufacturer and is compensated by the agreed upon price." (Applicant's specification, Page 7, Lines 8-10).

Furthermore, as stated above, Sullivan et al. teaches of a situation whereby manufacturers are selling products *through* a retailer. Therefore, arguably, Sullivan et al. automatically assumes that the manufacturer is not the direct seller. However, this does not mean that it excludes situations to which the manufacturer is the seller. In fact, as the Eagle and Abhyanker references both teach, it is common and well known

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for manufacturers to perform *both* types of sales; i.e. selling directly to the customer and selling on consignment.

Practically speaking, in the situation in which the manufacturer is in fact the seller in the Sullivan et al. system (not explicitly anticipated by Sullivan et al.), the manufacturer would be paying itself a promotion *directly out of the price of the product*. For example, using Sullivan et al.'s system, if a customer bought a product that was being promoted, the customer would pay a negotiated price. In the situation in which the manufacturer and seller are different, an amount would be subtracted from the negotiated price and given directly to the manufacturer (as an incentive). The remaining amount would be given to the seller. However, when the seller and the manufacturer are the same, the manufacturer gets *both* the incentive *and* the remaining amount; this is effectively equivalent to the manufacturer capturing the *entire* purchase price negating any perceived 'incentive'.

18. Applicant's arguments with respect to claims 11, 24, and 25, have been fully considered but they are not persuasive.

19. Regarding claims 11, 24, and 25, applicant argues on page 11 that Sullivan et al. does not disclose "having priorities or determining which of a plurality of promotions to apply based on a priority." Examiner respectfully disagrees.

Sullivan et al. explicitly teaches that the invention is to "provide a system and method for administering a *plurality of product promotions* entered into between a plurality of retailers and a plurality of manufacturers." (emphasis added) (Sullivan et al.,

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[0027]). When a purchase is made, the system searches through the "plurality of product promotions" to find a promotion that is available to the specific product purchased. (Sullivan et al., Summary of the Invention, [0019]). Therefore, Sullivan et al. effectively gives priority to a specific promotion amongst the plurality of promotions based on a match between the product purchased and the promotion.

Conclusion

20. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

Examiner's Note: Examiner has cited particular columns, line numbers, and paragraphs in the references as applied to the claims above for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested that the applicant, in preparing

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responses, fully consider each of the references in its entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art disclosed by the examiner.


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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Palani P. Rathinasamy whose telephone number is (571) 272-5906. The examiner can normally be reached on M-F 8:30-5p.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.


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